



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE For Immediate Release

CENTURION CORP ACHIEVES RECORD NET PROFIT OF S\$31.1 MILLION FROM ITS CORE BUSINESS OPERATIONS FOR FY2014

- Highest ever revenue of S\$84.4 million for FY2014
- 63% growth in net profit from its core business operations to S\$31.1 million for FY2014
- Including fair valuation gains and one-off trading profits on sales of factory units, Group achieved record net profit of S\$111.2 million for FY2014.
- On track to grow workers and students accommodation portfolio to more than 55,200 beds by end of 2015

	Fourth Quarter Ended 31 December			Full Year Ended 31 December		
	2014 (4Q 2014)	2013 (4Q 2013)	Increase	2014 (FY2014)	2013 (FY2013)*	Increase
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	26,105	14,977	74%	84,443	57,053	48%
Gross Profit	17,142	9,196	86%	55,641	32,694	70%
Gross Margin	66%	61%	5pp	66%	57%	9pp
Net Profit from core business operations	10,120	6,028	68%	31,119	19,058	63%
Net Profit	72,920 [#]	26,941*	171%	111,150 [#]	92,158*	21%

* Includes net fair value gains of S\$77.2 million and one-off impairment charge of S\$3.9 million for FY2013.

[#] Includes net fair value gains of S\$62.8 million and one off trading profits from sale of industrial factory units of S\$17.3 million.

Singapore, 26 February 2015 - Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, the “Company”, or together with its subsidiaries, the “Group”) has achieved another year of excellent performance for its financial year ending 31 December 2014 (“FY2014”), with net profit from its core business operations increasing 63% year-on-year to reach a record S\$31.1 million for FY2014.

Overall, the Group registered a record net profit of S\$111.2 million for FY2014, including fair value gains of S\$62.8 million derived from the Group’s and the joint venture’s investment properties and trading profits of S\$17.3 million of M-Space, an industrial development.

The Group’s revenue grew 48% to a record S\$84.4 million in FY2014, on the back of strong performance by the accommodation business which contributed a 62% growth in revenue, driven by the expansion of both its workers and student accommodation businesses.



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Revenue from the Group's optical disc business contributed S\$8 million for the year as demand for physical optical disc media from its customers continued to decline.

"We are pleased to deliver a record performance once again this year. We have made significant headway this year to diversify our earnings through the successful expansion of the student and workers accommodation business. We will actively manage our existing assets and selectively grow our portfolio to further enhance value for our shareholders," said Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited.

The Group's gross profit increased significantly by 70% in FY2014 to reach S\$55.6 million, largely due to higher contributions from the accommodation business. Gross profit margin improved by 9 percentage points to reach 66%.

Accommodation Business

– Summary of Financial Figures (excluding fair value gain)

Accommodation Business	1 Oct 14	1 Oct 13	Increase	1 Jan 14	1 Jan 13	Increase
	- 31 Dec 14	- 31 Dec 13		- 31 Dec 14	- 31 Dec 13	
	(4Q 2014)	(4Q 2013)		(FY2014)	(FY2013)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	24,063	12,690	90%	76,460	47,275	62%
Gross Profit	16,933	8,342	103%	53,098	30,050	77%
Gross Margin	70%	66%	4pp	69%	64%	5pp
Net Profit from core business operations	9,265	5,179	79%	30,142	19,631	54%
Net Profit	9,265	5,179	79%	47,435 *	19,631	142%

* Includes one off trading profits from sale of industrial factory units of S\$17.3 million.

Excluding fair value gains, the Group's accommodation business net profit reached S\$47.4 million, a significant increase of 142% compared to the previous year. Of the net profit achieved, a S\$17.3 million net profit was recorded from the sale of industrial factory units during the year while its operation in workers and student accommodation contributed the majority of this figure at S\$30.1 million.

The Group's optical disc business contributed S\$0.9 million to the Group's net profit in FY2014, notwithstanding the slight loss of S\$70,000 from its discontinued operations.

The Group's balance sheet remains healthy and robust with S\$63.1 million in cash and cash equivalents. Investment properties increased considerably to S\$684.4 million due to the acquisitions of its student accommodation assets in Australia and the United Kingdom, workers accommodation projects in Singapore and Malaysia, and S\$40 million from fair value gains. Borrowings increased by S\$245.3 million reflecting bank loans obtained to finance



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developmental workers accommodation projects and acquisitions of student accommodation assets in FY2014. As a result, the Group's gearing ratio stood at 52% as at 31 December 2014. Despite the higher gearing ratio, the five times interest cover continues to be adequate, in light of the Group's stable and strong net operating cashflow.

On a quarterly basis, the Group's revenue rose by 74% to S\$26.1 million in the quarter ended 31 December 2014 ("4Q 2014") compared to 4Q 2013. With maiden revenue from the Group's four newly acquired student accommodation assets in the United Kingdom, as well as an increase in capacity of its workers accommodation, the Group's revenue from its accommodation business grew by a 90% quarter-on-quarter to hit S\$24.1 million in 4Q 2014.

Accordingly, gross profit for the fourth quarter this year was S\$16.9 million, jumping 103% supported by the increase in revenue contribution from the accommodation business. Gross profit margin for the Group also improved from 61% to 66% due to increasing rental rates and additional rental revenue from expanded bed capacity at Westlite Toh Guan. Overall, the Group achieved a net profit of S\$10.1 million for 4Q 2014, a healthy 68% increase quarter-on-quarter with the accommodation business contributing close to 92% of this figure.

This year marked several significant milestone achievements for the Group:

- Entry into the Student Accommodation business with the acquisition of RMIT Village in Australia in February;
- Successful expansion of the Student Accommodation business with the acquisition of a portfolio of four assets in United Kingdom in September;
- Established presence in Penang with two land acquisitions to develop workers accommodation;
- Expansion of Singapore workers accommodation portfolio with Westlite Papan through a partnership with ASPRI (Association of Process Industry)

Business Outlook

The overall outlook for the Group's accommodation business for the next 12 months remains encouraging, supported by stable demand for both its workers and student accommodation businesses and contribution from three new accommodation assets that will be completed in 2015.

In Singapore, Westlite Toh Guan and Westlite Mandai are expected to maintain high occupancy rates. The Group is actively managing Westlite Tuas to ensure that its occupancy rate remains high despite competition from a new workers accommodation in the vicinity that is expected to



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become operational in 1Q 2015. Westlite Woodlands will be contributing to the earnings of the Group when completed in 3Q 2015.

The outlook for the Malaysia portfolio is positive, with Westlite Tampoi and Westlite Senai II due to add 10,800 beds when completed in 1Q 2015 and 4Q 2015 respectively. The Group expects occupancy and rental rates to enjoy steady growth as more companies recognise the Group's value-added proposition and proven management capabilities in providing quality accommodation for their workers.

In Australia, RMIT Village is expected to operate at close to full occupancy in the 2015 academic year, after strengthening its competitive position with the completed refurbishment of the rooms in January 2015. Ongoing studies are being carried out to evaluate other asset enhancement initiatives for the property.

The Group's newly acquired portfolio of four student accommodation assets in the United Kingdom is expected to operate at close to full occupancy in the 2015 academic year. Given the healthy demand of purpose-built student accommodation in both Manchester and Liverpool, these assets are expected to perform well and contribute positively to the Group's earnings.

"As we strengthen our operations capabilities, we will continue to selectively explore opportunities to further grow our accommodation business in both existing and new markets." added Mr Kong.

In January 2015, Centurion announced that the Group is exploring the feasibility of establishing a workers accommodation REIT to unlock value in certain assets which will allow the Group to recycle capital to pursue further growth strategies across its expanding accommodation businesses. The Group will announce further details as and when the time is appropriate.

The Group has proposed to pay a second and final dividend for FY2014 of 1.0 cent per ordinary share. When combined with the special interim dividend of 0.5 cents per ordinary share declared in the first quarter of the year, the total amount to be distributed for FY2014 would be 1.5 cents per ordinary share.

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ABOUT CENTURION CORPORATION LIMITED

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates workers and student accommodation assets, as well as a storage disc manufacturing business. Its workers accommodation assets are managed under the Westlite brand and its student accommodation assets are managed under the Centurion Student Living brand.

In Singapore, the Group has a current capacity of 23,500 beds across three workers accommodation assets in Toh Guan, Tuas and Mandai as at 31 December 2014. Westlite



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Woodlands, with 4,100 beds, is under construction and is expected to be completed in 3Q 2015. Westlite Papan, its fifth project with 7,900 beds, is under construction and is expected to be completed in 2016.

In Malaysia, the Group has a current capacity of 14,500 beds across five workers accommodation assets in Johor. Two projects, Westlite Tampoi and Westlite Senai II, with a total of 10,800 beds are under construction and expected to be completed in 1Q 2015 and 4Q 2015 respectively. Two projects under planning, Westlite Minyak, with 5,000 beds is expected to be completed in 2016 and Westlite Juru, with 12,000 beds is expected to be completed in two phases in 2017 and 2018.

The Group has a student accommodation asset with 456 beds in Melbourne, Australia. In the United Kingdom, the Group has a portfolio of four student accommodation assets with a total of 1,906 beds.

The Group expects to increase its overall portfolio from 40,362 beds at present to over 74,100 by the end of 2017.

For more information, please visit <http://www.centurioncorp.com.sg>.

MEDIA CONTACTS

For more information on Centurion Corporation Limited, please contact:

Kreab

Vanessa Ho / Melissa Woon

+65 6339 9110

cent@kreab.com



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APPENDIX

Centurion Corporation Limited's Asset Portfolio (as at 31 December 2014)

Location	Facility	Current Capacity (no. of beds)	Expected Capacity (no. of beds)
Singapore	Westlite Toh Guan	8,600	8,600
	Westlite Mandai	6,300	6,300
	Westlite Tuas	8,600	8,600
	Westlite Woodlands <i>(expected completion 3Q 2015)</i>	-	4,100*
	Westlite Papan <i>(expected completion mid-2016)</i>	-	7,900*
	Total in Singapore	23,500	35,500
Malaysia	Westlite Tebrau	2,500	2,500
	Westlite Johor Tech Park	5,800	5,800
	Westlite Desa Cemerlang	1,600	1,600
	Westlite Pasir Gudang	2,000	2,000
	Westlite Senai	2,600	2,600
	Westlite Tampoi <i>(expected completion 1Q 2015)</i>	-	5,300*
	Westlite Senai II <i>(expected completion 4Q 2015)</i>	-	5,500*
	Westlite Minyak <i>(expected completion 2016)</i>	-	5,000*
	Westlite Juru <i>(Ph 1 expected completion 2017)</i>	-	6,000*
		Total in Malaysia	14,500
Australia	RMIT Village	456	456
	Total in Australia	456	456
U.K.	Manchester Student Village	1,022	1,022
	Manchester Student Village South	355	355
	The Grafton	145	145
	Cathedral Campus	384	384
	Total in U.K.	1,906	1,906
Total no. of beds		40,362	74,162

* upon completion of construction between 2015 to 2017 respectively